

FISCAL NOTE

SB 2372 - HB 2354

February 5, 2000

SUMMARY OF BILL: Defines sales price for *homebuilt aircraft* as the price of the complete kit for building such plane or the price of the construction plans relative to building such plane. Defines *homebuilt aircraft* for the purposes of this bill as aircraft recognized by the federal aviation administration. Under existing law, sales tax is applied to airplanes at the rate of 6% on the first \$100,000 of sales price and the rate of 3% on the sales price in excess of \$100,000. Aircraft for sales tax purposes is classified as tangible personal property.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Decrease Local Govt. Revenues - Not Significant

Estimate assumes the following:

- Sales tax liability for homebuilt airplanes would be limited to the price of the kit or the price of the construction plans.
- The amount of sales tax revenue lost cannot be determined since specific data on such sales are not compiled by the Department of Revenue; however, based on input from the department, the estimated sales tax lost to the state is in excess of \$100,000.
- Local government sales tax revenue is capped at a maximum of \$1,600 per single article; therefore, the estimated sales tax loss to local governments is not estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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